

Message Text

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R 300055Z JAN 76

FM SECSTATE WASHDC

TO AMEMBASSY CAIRO

USOFFICE RFC PARIS

UNCLAS STATE 022879

E.O. 11652: N/A

TAGS: PFOR, EG, FR, OTRA (CONTRACT PARTY)

SUBJECT:USE EXCESS EGYPTIAN POUNDS BY E-SYSTEMS INC.,
CONTRACTOR SINAI SUPPORT MISSION

1. CONTRACTOR NOW IN PROCESS ESTABLISHING LINE OF CREDIT
BETWEEN MANUFACTURERS HANOVER TRUST AND CAIRO BRANCH OF
SAME BANK WHICH WE UNDERSTAND IS LOCATED IN FREE ZONE.
ALSO PLANNING SIMILAR LINE CREDIT THROUGH AMERICAN EXPRESS
COMPANY.

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2. CONTRACTOR WITH ASSISTANCE SINAI SUPPORT MISSION MOVING

ESTABLISH LOCAL CURRENCY ACCOUNT WITH MANUFACTURERS HANOVER IN CAIRO, UTILIZING EXCESS U.S. OWNED LOCAL CURRENCY. THESE LOCAL CURRENCIES WILL BE USED FOR VARIOUS TYPES PROCUREMENT IN EGYPT FOR SINAI OPERATION AS WELL AS FOR ACCOMMODATION EXCHANGE FOR CONTRACT EMPLOYEES AND USG EMPLOYEES AT FIELD MISSION. CURRENT ESTIMATED EGYPTIAN POUND REQUIREMENTS FOR CONTRACTOR NEEDS ARE DOLS 100,000 EQUIVALENT PER MONTH.

3. CONTRACTOR ANTICIPATES ESTABLISHMENT CASHIER OPERATION AT FIELD MISSION FOR ACCOMMODATION EXCHANGE PURPOSES AND CONTRACTOR OPERATIONAL NEEDS. CONTRACTOR NEGOTIATING NOW WITH AMERICAN EXPRESS FOR SUBCONTRACT TO HANDLE CASHIER OPERATION AT FIELD MISSION. OUTCOME UNCERTAIN. WE UNDERSTAND EMBASSY CAN PROVIDE ACCOMMODATION EXCHANGE FOR CONTRACTOR AND USG PERSONNEL TRAVELING TO OR THROUGH CAIRO AS WELL AS FOR THOSE FAMILIES SAFEHAVENED IN CAIRO DURING NORMAL CASHIER OPERATING HOURS.

4. SINAI SUPPORT MISSION (SSM) HAS PROPOSED THREE METHODS PROVIDING EXCESS POUNDS TO CONTRACTOR FOR CONTRACT EXPENSES AND EMPLOYEE ACCOMMODATION EXCHANGE REQUIREMENTS IN EGYPT.

(A) E-SYSTEMS ISSUE DOLLAR CHECK IN FAVOR U.S. TREASURY. SSM WOULD DELIVER CHECK TO TREASURY DEPARTMENT FOR DEPOSIT. TREASURY DEPARTMENT WOULD INSTRUCT USDO, PARIS TO ISSUE EGYPTIAN POUND EQUIVALENT CHECK FAVOR E-SYSTEMS FOR DEPOSIT THEIR ACCOUNT IN CAIRO.

(B) CONTRACTOR REPRESENTATIVE IN CAIRO COULD ISSUE DOLLAR CHECK IN FAVOR U.S. TREASURY, PROCESSING SAME THROUGH EMBASSY TO RFC FOR ISSUANCE POUND EQUIVALENT CHECK FOR DEPOSIT CONTRACTOR'S ACCOUNT IN CAIRO.

(C) E-SYSTEMS CONTRACT PROVIDES FOR 30 DAY LOCAL CURRENCY ADVANCE UPON REQUEST CONTRACTOR AND APPROVAL BY CONTRACTING OFFICER. SSM WOULD SCHEDULE AND CERTIFY VOUCHER ADVANCE AGAINST DOLLAR FUNDS PROVIDED IN CONTRACT PAYABLE IN EGYPTIAN POUNDS. CERTIFIED VOUCHER WOULD BE FORWARDED UNCLASSIFIED

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RFC PARIS WITH INSTRUCTIONS DEPOSIT POUNDS IN FAVOR OF CONTRACTOR IN DESIGNATED CAIRO BANK ACCOUNT.

REPLENISHMENT OF ADVANCE
FUND WOULD FOLLOW NORMAL PROCEDURES FOR REIMBURSEMENT OF CONTRACTOR IN POUNDS WITH CHARGE DOLLAR FUNDS CONTRACT.

5. FYI SSM REPRESENTATIVE AND CONTRACTOR OFFICIALS WILL

ARRIVE CAIRO WITHIN FEW DAYS FOR DISCUSSIONS WITH EMBASSY
RE SUBJECT MATTER AND OTHER OPERATIONS. E-SYSTEMS
ADVISES ED PEARCY AND BUD KRIDER PREPARED DISCUSS CON-
TRACTOR FUNDING OPERATIONS.

6. THIS MESSAGE SEEKS VIEWS OF EMBASSY AND RFC WITH
REGARD TO THE THREE ALTERNATIVES BEING CONSIDERED. WILL
APPRECIATE HAVING THOSE VIEWS AND ANY OTHER THOUGHTS OR
RECOMMENDATIONS YOU MAY HAVE ASAP. KISSINGER

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